

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE ROYAL BANK OF SCOTLAND
GROUP PLC SECURITIES LITIGATION

No. 09 Civ. 300 (DAB)

**UNDERWRITER DEFENDANTS' RESPONSE TO THE
MOTION FOR CLARIFICATION AND RECONSIDERATION OF
MISSISSIPPI PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Defendants Merrill Lynch, Pierce, Fenner & Smith Inc.; Greenwich Capital Markets, Inc.; Wachovia Capital Markets, LLC; Morgan Stanley & Co. Incorporated; UBS Securities LLC; Banc of America Securities LLC; RBC Capital Markets Corporation¹; Citigroup Global Markets Inc.; A.G. Edwards & Sons, Inc.; and Goldman, Sachs & Co. (collectively, the “Underwriter Defendants”) submit this response to the motion for clarification and reconsideration filed by Mississippi Public Employees’ Retirement System (“MissPERS”) on January 25, 2011 in connection with this Court’s January 11, 2011 Memorandum and Order (the “January 11 Order”).

The focus of the Court’s January 11 Order was on the impact of the United States Supreme Court decision in Morrison v. National Australia Bank Ltd., 130 S. Ct. 2869 (2010), on plaintiffs’ claims in this class action. The Court concluded that Morrison required dismissal of plaintiffs’ Exchange Act claims, as well as plaintiffs’ Securities Act claims brought in connection with the RBS Rights Issue and the RBS Exchange Offer. The Court also dismissed Co-Lead Plaintiffs MassPRIM and MissPERS and their counsel from the action on the grounds that they are without standing to assert any of the Preferred Share Securities Act claims remaining in the case.


MissPERS has now filed its motion to ask the Court to reconsider its January 11 Order to clarify that MissPERS “has standing to pursue, through its counsel, claims on behalf of purchasers of Royal Bank of Scotland Group plc (‘RBS’) Series U Preferred Shares (‘Series U’), which it purchased, and that it should act as a named or representative plaintiff related to the Series U claims.” MissPERS Br. at 1.

¹ Formerly known as, and also named as, RBC Dain Rauscher Inc.

The Underwriter Defendants take no position on MissPERS' motion for reconsideration. They do note, though, that whether any plaintiffs have standing to bring certain Securities Act claims in connection with the Preferred Share offerings – including the Series U offering – was the subject of motion practice that the Court terminated without prejudice on September 24, 2010 and will be the subject of forthcoming motion practice.

Dated: New York, NY
February 8, 2011

CLEARY GOTTlieb STEEN & HAMILTON LLP

By: 

Mitchell A. Lowenthal
(mloenthal@cgsh.com)

Lewis J. Liman
(lliman@cgsh.com)

Roger A. Cooper
(racooper@cgsh.com)

Nancy I. Ruskin
(nruskin@cgsh.com)

One Liberty Plaza
New York, NY 10006
(212) 225-2000
(212) 225-3999 (Facsimile)

Attorneys for the Underwriter Defendants